



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Richard Johnson, Treasurer
Texas Medical Association Political Action
Committee
401 West 15th Street
Austin, TX 78701

MAR 12 2003

Identification Number: C00001214

Reference: 30 Day Post-General Report (10/01/02-11/25/02)

Dear Mr. Johnson:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A of your report (pertinent portions attached) discloses one or more contributions which appear to be from a financial institution. You are advised that a contribution from a national bank is prohibited by the Act, unless made from a separated segregated fund established by the national bank. 2 U.S.C §441b(a)

If any apparently prohibited contribution in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information.

If you have received a prohibited contribution(s), you may have to make a refund. If within 30 days of receipt you (1) transferred the prohibited amount to an account not used to influence federal elections, and (2) provided written notice to the person making the contribution of the option of receiving a refund, you may retain the contribution in an account not used to influence federal elections. Any request from a donor for a refund must be honored.

If the foregoing conditions for transfers to a non-federal account were not met within 30 days of receipt, the prohibited amount must be refunded. See 11 CFR 103.3(b)(1).

TEXAS MEDICAL ASSOCIATION PAC
PAGE 2

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for any transfer-out or refund. In addition, any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report covering the period during which the transaction was made.

Although the Commission may take further legal action concerning the acceptance of a prohibited contribution, prompt action by your committee to transfer-out or refund the amount will be taken into consideration.

Schedule B of your report (pertinent portion attached) discloses an apparent in-kind contribution to a federally registered committee. An in-kind contribution is defined as a contribution of goods, services or property offered free or at less than the usual and normal charge. The term also includes payments made on behalf of, but not directly to, candidates and political committees. §100.7(a)(1)(iii).

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information.

If you have made an excessive in-kind contribution, you must notify the recipient and request a refund of the amount in excess of \$5,000. The refund of the excessive amount must be made within sixty (60) days of receipt of the contribution.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund request sent to the recipient committee. In addition, any refund should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received.

Although the Commission may take further legal action regarding the excessive contribution, your prompt action in obtaining a refund will be taken into consideration.

For future reporting, it is recommended that the committee follow the attached example for the proper method of reporting in-kind contributions.

TEXAS MEDICAL ASSOCIATION PAC
PAGE 3

-The totals listed on Lines 11(a)(iii), 11(d), 12, 15, 17, 19, 20, 21(b), 21(c), 22, 23, 29, 30, and 31, Column B of the Detailed Summary Page(s) appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. Please amend your report and any subsequent reports that may be affected by this correction.

-The beginning cash balance of this report should equal the ending balance of your 2002 October Quarterly Report. Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.

-Your calculations for Lines 6(c) and 7, Column B appear to be incorrect. FEC calculations disclose these amounts to be \$831,990.35 and \$1,164,177.05, respectively. Please provide the corrected totals on the Summary Page.

-Your report discloses a negative ending cash balance of \$15,029.79. This suggests that you have either overdrawn your account, made a mathematical error, or incurred a debt. If your committee has incurred a debt or obligation, please show a zero balance on Line 8 of the Summary Page and reflect the amount and the nature of the debt on Schedule D and Line 10. 2 U.S.C. §434(b)(8)

-Commission Regulations require that a committee disclose the identification of all individuals who contribute in excess of \$200 in a calendar year. (11 CFR §104.3(a)(4)(i)) Identification for an individual is defined as the full name, mailing address, occupation and name of employer. (11 CFR §100.12) Your report discloses contributions from individuals for which the identification is not complete.

You must provide the missing information, or if you are unable to do so, you must demonstrate that "best efforts" have been used to obtain the information. To establish "best efforts," you must provide the Commission with a detailed description of your procedures for requesting the information. Establishing "best efforts" is a three-fold process.

First, your original solicitation must include a clear and conspicuous request for the contributor information and must inform the contributor of the requirements of federal law for the reporting of such information. (11 CFR §104.7(b)(1))

TEXAS MEDICAL ASSOCIATION PAC

PAGE 4

Second, if the information is not provided, you must make one follow-up, stand alone effort to obtain this information, regardless of whether the contribution(s) was solicited or not. This effort must occur no later than 30 days after receipt of the contribution and may be in the form of a written request or an oral request documented in writing. (11 CFR § 104.7(b)(2)) The request must:

- clearly ask for the missing information, without soliciting a contribution;
- inform the contributor of the requirements of federal law for the reporting of such information, and
- if the request is written, include a pre-addressed post card or return envelope.

Third, if you receive contributor information after the contribution(s) has been reported, you shall either a) file with your next regularly scheduled report, an amended memo Schedule A listing all the contributions for which additional information was received; or b) file on or before your next regularly scheduled reporting date, amendments to the report(s) originally disclosing the contribution(s). (11 CFR §104.7(b)(4))

Please provide the missing information or a detailed description of your procedures for requesting the information. For more information on demonstrating "best efforts," please refer to the Campaign Guide.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule B of your report to clarify the following description(s): "operating expenses." For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

A response or amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Kristen R. Davis
Campaign Finance Analyst
Reports Analysis Division

SCHEDULE A (FEC Form 3X)
ITEMIZED RECEIPTS

 Use separate schedule(s)
 or each category of the
 Detailed Summary Page

 FOR LINE NUMBER.
 (check only one)

PAGE 78 / 221

<input type="checkbox"/> 11a	<input type="checkbox"/> 11b	<input type="checkbox"/> 11c	<input type="checkbox"/> 12
<input type="checkbox"/> 13	<input type="checkbox"/> 14	<input type="checkbox"/> 15	<input checked="" type="checkbox"/> 16
<input type="checkbox"/> 17			

Any information copied from such Reports and Statements may not be used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)

Texas Medical Association Political Action Committee

Full Name (Last, First, Middle Initial)

A. New South Federal Savings Bank

Mailing Address

P.O. Box 101508

City

Birmingham

State

AL

Zip Code

35210-6508

Date of Receipt

M	M	D	Y	Y	Y
1	0	1	5	2	0

Amount of Each Receipt this Period

99000.00

FEC ID number of contributing federal political committee.

Name of Employer

Occupation

Receipt For:

Primary

General

Other (specify) ▼

Aggregate Year-to-Date ▼

99000.00

Transaction ID: SA17.5082

Full Name (Last, First, Middle Initial)

B. New South Federal Savings Bank

Mailing Address

P.O. Box 101508

City

Birmingham

State

AL

Zip Code

35210-6508

Date of Receipt

M	M	D	Y	Y	Y
1	0	2	5	2	0

Amount of Each Receipt this Period

4777.25

FEC ID number of contributing federal political committee.

Name of Employer

Occupation

Receipt For:

Primary

General

Other (specify) ▼

Aggregate Year-to-Date ▼

103777.25

Transaction ID: SA17.5083

C.

SUBTOTAL of Receipts This Page (optional)

103777.25

TOTAL This Period (last page this line number only)

103777.25

**SCHEDULE B (FEC Form 3X)
ITEMIZED DISBURSEMENTS**

 Use separate schedule(s)
for each category of the
Detailed Summary Page

 FOR LINE NUMBER:
(check only one)

PAGE 82 / 221

<input checked="" type="checkbox"/> 21b	<input type="checkbox"/> 22	<input type="checkbox"/> 23	<input type="checkbox"/> 24	<input type="checkbox"/> 25
<input type="checkbox"/> 26	<input type="checkbox"/> 27	<input type="checkbox"/> 28a	<input type="checkbox"/> 28b	<input type="checkbox"/> 28c
<input type="checkbox"/> 29				

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in full)

Texas Medical Association Political Action Committee

Full Name (Last, First, Middle Initial)

A. The Epstein Group

Date of Disbursement

10 / 01 / 2002

Mailing Address

4055 International Plaza, Suite 52

City

Fort Worth

State

TX

Zip Code

76109

Amount of Each Disbursement this Period

2901.17

Purpose of Disbursement

Invoice Nos 22738 & 22739

Candidate Name

 Category/
Type

Office Sought

House

Senate

President

Disbursement For:

Primary

General

Other (specify)

State:

District:

Transaction ID: SB21B.5085

Full Name (Last, First, Middle Initial)

B. The Epstein Group

Date of Disbursement

10 / 04 / 2002

Mailing Address

4055 International Plaza, Suite 52

City

Fort Worth

State

TX

Zip Code

76109

Amount of Each Disbursement this Period

5000.00

Purpose of Disbursement

October 2002 consulting fee

Candidate Name

 Category/
Type

Office Sought

House

Senate

President

Disbursement For:

Primary

General

Other (specify)

State:

District:

Transaction ID: SB21B.5086

Full Name (Last, First, Middle Initial)

C. The Epstein Group

Date of Disbursement

10 / 29 / 2002

Mailing Address

4055 International Plaza, Suite 52

City

Fort Worth

State

TX

Zip Code

76109

Amount of Each Disbursement this Period

21988.60

Purpose of Disbursement

Design/copy/production-TEXPAC alarm sign

Candidate Name

 Category/
Type

Office Sought

House

Senate

President

Disbursement For:

Primary

General

Other (specify)

State:

District:

Transaction ID: SB21B.5100

29889.77

SUBTOTAL of Disbursements This Page (optional)

TOTAL This Period (last page this line number only)

23-03-801-1474